

# United States District Court

NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA

V.

See Attached Affidavit

(Name and Address of Defendant)

ORIGINAL  
FILED  
OCT 4 2006  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

CRIMINAL COMPLAINT

CASE NUMBER:

3 06 70000

EDL

I, the undersigned complainant being duly sworn state the following is true and correct to the best of my knowledge and belief. On or between 12/06/05 - 10/3/06 in San Francisco/Alameda County, in the NORTHERN District of CALIFORNIA defendant(s) did, (Track Statutory Language of Offense)

Knowingly and intentionally conspire to manufacture and distribute and conspire to manufacture and distribute a Schedule I controlled substance, to wit, 1000 or more cannabis plants, and defendant Sparky W. ROSE did knowingly and intentionally engaged in monetary transactions in property of a value greater than \$10,000 derived from specified unlawful activity, to wit, narcotics trafficking.

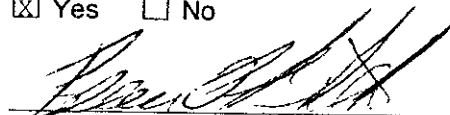
18 United States Code 1957

in violation of Title 21 United States Code, 841(a)(1) and 846

I further state that I am a(n) DEA Special Agent and that this complaint is based on the following facts: Attached affidavit hereby incorporated by reference

Continued on the attached sheet and made a part

☒ Yes ☐ No

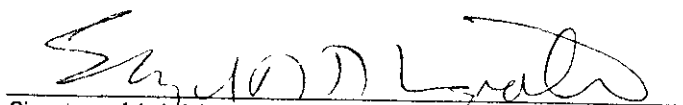
  
Signature of Complainant

Sworn to before me, and subscribed in my presence,

Oct 4, 2006  
Date

at San Francisco, California  
City and State

Elizabeth D. Laporte, U.S. Magistrate Judge  
Name and Title of Judicial Officer

  
Signature of Judicial Officer

## **AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT**

I, Special Agent Beau O. Bilek, United States Department of Justice, Drug Enforcement Administration, being first duly sworn, hereby state as follows: |

### **I. INTRODUCTION**

1. This Affidavit is in support of a criminal complaint charging the following individuals with violations of 21 U.S.C. §§ 841(a)(1), and 846 (manufacture and distribution of 1000 or more cannabis plants, a schedule I controlled substance, and conspiracy to manufacture and distribute cannabis), and charging Sparky W. ROSE with violations of 18 U.S.C. § 1957 (engaging in monetary transactions in property of a value over \$10,000 derived from specified unlawful activity, namely, narcotics trafficking):

- (a) Sparky W. ROSE
- (b) Benjamin S. BLAIR
- (c) James J. DALEY
- (d) Shawn G. ANDERSON
- (e) Kevin P. ELLIS
- (f) Irene D. MATSUOKA
- (g) Jason A. MATHEWSON
- (h) Alfonzo MUNOZ-REBULLIDA
- (i) Johnny M. SETO
- (j) Mark E. MILLER
- (k) Steven A. NAVARRO
- (l) Tracy A. SMITH
- (m) Mistalee Chiame WANG
- (n) Amber R. FROINES
- (o) Jaime L. PERREIRA

2. I am currently investigating NEW REMEDIES COOPERATIVE INC., and POTENT EMPLOYMENT SOLUTIONS LLC., two businesses involved in cannabis cultivation and distribution, and money laundering. Information that I have collected during the course of this investigation indicate that there is probable cause that each of the individuals identified above has violated 21 U.S.C. §§ 841, and 846, and there is probable cause that Sparky W. ROSE has also violated 18 U.S.C. § 1957. The facts and information set forth in this Affidavit are based upon my personal knowledge obtained

during this investigation, information provided to me by other law enforcement officers, and other documents and records obtained as a result of this investigation. Because this Affidavit is submitted for the limited purpose of demonstrating probable cause in support of obtaining a criminal complaint for each of the individuals identified above, I have not included each and every fact known to me concerning this investigation. I have included what I believe to be adequate facts to establish probable cause that each of the individuals identified above knowingly and intentionally violated 21 U.S.C. §§ 841(a)(1), and 846, and that Sparky W. ROSE knowingly and intentionally violated 18 U.S.C. § 1957.

## **II. AFFIANT'S BACKGROUND**

3. I have been employed by the United States Department of Justice, Drug Enforcement Administration (DEA) since June 4, 2005. As such, I am empowered by law to investigate, to make arrests with or without a warrant, and to execute and serve search warrants under the authority of 21 U.S.C. § 878. Prior to my employment with the DEA, I was employed as a Senior Patrol Agent for the United States Border Patrol for over five years. During this time I have accumulated the following training and experience:

(a) During my employment at DEA, I attended and graduated from the DEA Basic Agent School at the FBI Academy in Quantico, VA, where I received over 300 hours of comprehensive, formalized instruction in such matters as drug identification, detection, and interdiction; money laundering techniques; and asset identification, seizure, and forfeiture. I have participated in over 20 investigations of illicit drug trafficking organizations. These investigations have involved the use of undercover officers, confidential informants, physical surveillance, electronic surveillance, telephone toll analysis, investigative interviews, and the service of over 19 state and federal search and arrest warrants.

(b) As a DEA agent, I have participated in investigations targeting individuals and organizations trafficking heroin, cocaine, cocaine base ("crack"), methamphetamine, and other controlled substances as defined in 21 U.S.C. § 801. In addition, I have participated in approximately 16 cannabis specific investigations. I know that cannabis is a Schedule I controlled substance. In the course of these investigations, I have assisted in the seizure and/or eradication of more than 15,313 growing cannabis plants cultivated both indoors and outdoors,

and have executed over 18 state and federal search and arrest warrants involving cannabis cultivation. During these activities, I have personally viewed, touched, examined, and detected the odor from the cannabis plants.

(c) Based upon my training and experience, I know that cannabis cultivators often maintain ledgers, bank records, tax records, property records, communication devices, receipts, processed cannabis, and proceeds from the sale of cannabis in their residences and businesses for safekeeping (in addition to other items more fully described in Attachment B). More specifically, these items are frequently stored in residences and businesses in order to prevent them from being seized by law enforcement officials and to make it more difficult for law enforcement officers to fully identify the scope of their organizations. These records help to identify ownership of property used to cultivate cannabis, and activities designed to launder cultivation proceeds. Based upon my training and experience, I also know that vehicles are often used to transport cannabis cultivation supplies and cannabis packaged for sale. In addition, I know that people often utilize vehicles to store items more fully described in Attachment B.

### **III. FACTS ESTABLISHING PROBABLE CAUSE**

#### **Background Information**

4. On May 6, 2005, the Los Angeles Police Department (LAPD) executed a California state search warrant at COMPASSIONATE CAREGIVERS INC., which was a cannabis distribution facility located at 1209 North La Brea Ave., West Hollywood, CA. During this search warrant, LAPD seized, among other items: in excess of 799 lbs of processed cannabis, cannabis clones, \$242,000 United States Currency, and pay/owe sheets associated with COMPASSIONATE CAREGIVERS INC (Reflecting enormous profits). Officers also arrested 13 individuals who were working at this cannabis distribution facility at the time the state search warrant was executed. In addition, officers located and seized an envelope which contained Wells Fargo bank deposit slips for the calendar year 2004. These deposit tickets document that almost two million dollars worth of narcotics proceeds had been deposited in COMPASSIONATE CAREGIVERS INC. bank accounts in 2004.

5. In June 2005, LAPD executed a California state seizure order for five bank accounts under the names of Larry KRISTICH and/or COMPASSIONATE

CAREGIVERS INC. These accounts contained approximately \$1.2 million (United States Currency) worth of drug related proceeds.

6. On February 16, 2006, SA Carlos Alfaro and Assistant United States Attorney (AUSA) George Bevan interviewed Celeste ANGELLO, prior to ANGELLO's Grand Jury testimony, about COMPASSIONATE CAREGIVERS INC. ANGELLO stated that COMPASSIONATE CAREGIVERS INC., was a cannabis dispensary that grew and sold processed cannabis and cloned cannabis plants. ANGELLO also stated that COMPASSIONATE CAREGIVERS INC., purchased processed cannabis, cloned cannabis plants, and edible cannabis products (cookies, brownies, etc.). ANGELLO informed SA Alfaro that COMPASSIONATE CAREGIVERS INC., operated stores in San Francisco, Oakland, Ukiah, Los Angeles, and Bakersfield. ANGELLO stated that Larry KRISTICH owned COMPASSIONATE CAREGIVERS INC. When asked if she knew other individual associated with COMPASSIONATE CAREGIVERS INC., ANGELLO stated that an individual named "Sparky ROSE" was "in charge" of COMPASSIONATE CAREGIVERS INC.

7. Compassionate Caregivers (CCG) filed a Statement of Information (SOI) with the CA Secretary of State's Office on January 10, 2005. The SOI was a "No Change" SOI from the previous March 20, 2001, filing. The Secretary of State's Office returned no dissolution statements, indicating that CCG is still a going concern as of August 8, 2006.

8. I know based upon the aforementioned facts that COMPASSIONATE CAREGIVERS INC. is a business that specializes in the cultivation and distribution of cannabis. Commercial database checks have identified Larry KRISTICH and Sparky ROSE as the Executive Director's of this company. DEA database checks conducted on July 31, 2006, identify Sparky W. ROSE as a manager of COMPASSIONATE CAREGIVERS INC., and Sparky ROSE is also identified as a manager of COMPASSIONATE CAREGIVERS on articles appearing in the San Francisco Bay Guardian ([www.wamm.org/Media-SFBG-6-14-05.htm](http://www.wamm.org/Media-SFBG-6-14-05.htm)). During the course of this investigation it was found that COMPASSIONATE CAREGIVERS INC. had also been utilizing building space located at 2135 Broadway, Oakland, CA, as a cannabis dispensary and office. This information is posted on the Hemp Evolution website

([www.hempevolution.org/clubs/clubs.htm](http://www.hempevolution.org/clubs/clubs.htm)). To date, DEA agents have learned that in December of 2005, the business known as COMPASSIONATE CAREGIVERS INC., changed its name and is now doing business as NEW REMEDIES COOPERTIVE INC. Agents have identified the following locations associated with this drug trafficking organization:

<u>ADDRESS</u>	<u>USE</u>
790 Tennessee St., San Francisco, CA	Cannabis Cultivation Facility
1760 Mission St., San Francisco, CA	Cannabis Distribution Facility
1735 Polk St., San Francisco, CA	Cannabis Cultivation Facility
457 Vermont St., San Francisco, CA	Residence of Sparky ROSE
2135 Broadway, Oakland, CA	Administrative/Business offices for NEW REMEDIES COOPERATIVE LLC., and COMPASSIONATE CAREGIVERS INC.
1624 Franklin Ave., Suite #912 Oakland, CA	Business Offices for NEW REMEDIES COOPERATIVE LLC
1710 Franklin Ave., Suite #210, Oakland, CA	Business Offices for POTENT EMPLOYMENT SOLUTIONS
190 Otis Street, Unit #180, San Francisco, CA.	Storage Unit for Sparky ROSE

On August 8, 2006, SA Carlos Alfaro served a DEA administrative subpoena to the California Secretary of State Business Programs Division in Sacramento, CA. The subpoena requested, inter alia, Articles of Incorporation and other business entity filings for NEW REMEDIES COOPERATIVE, INC., and COMPASSIONATE CAREGIVERS, INC. A review of the information provided by the California Secretary of State indicated that both NEW REMEDIES COOPERATIVE, INC., and COMPASSIONATE CAREGIVERS, INC., listed their business type as "cannabis club."

In addition to identifying the scope of this organization, agents have learned that Sparky ROSE is in essence the head of this drug trafficking organization. Specific facts and

events associated with the aforementioned locations and individuals associated with this organization are incorporated below.

**790 Tennessee St., San Francisco, CA**

9. In early 2006, I received an investigative lead concerning a large scale indoor cannabis cultivation facility which was located inside of a warehouse at **790 Tennessee St., San Francisco, CA.**

10. On March 29, 2006, I served an administrative subpoena on Pacific Gas & Electric (PG&E) for subscriber information associated with **790 Tennessee St., San Francisco, CA.** The results of this subpoena are as follows:

Subscriber: COMPASSIONATE CARE  
(09/04/2002 – 12/13/2005)  
ACCT Location: 790 Tennessee St., San Francisco, CA  
Billing Address: 2135 Broadway, Oakland, CA  
Business Phone: (510) 839-2112  
Activation Date: September 4, 2002  
Deactivation Date: December 16, 2005  
Account ID: 5421137605 (GNR1); 8837942772 (A1)  
Social Security #: [REDACTED] (Larry KRISTICH)

Subscriber: NEW REMEDIES COOPERATIVE INC  
(12/14/2005 – PRESENT)  
ACCT Location: 790 Tennessee St., San Francisco, CA  
Billing Address: 2135 Broadway, Oakland, CA  
Business Phone: (510) 839-1150  
Activation Date: December 16, 2005  
Deactivation Date: NA  
Account ID: 9606910710 (GNR1) & (A1)  
Tax ID #: [REDACTED]

11. On April 28, 2006, I served an administrative subpoena on Pacific Gas & Electric (PG&E) for payment records associated with **790 Tennessee St., San**

Francisco, CA. The results of this subpoena indicate that between February 8, 2006, and April 25, 2006, United States Currency (CASH) in the amount of \$57,633.62 was tendered to pay for the electrical usage on the **NEW REMEDIES COOPERATIVE INC** PG&E electrical account (9606910710). These deposits were primarily made at the PG&E payment processing center located at 1919 Webster, Oakland, CA. I know, based on my training and experience, that cannabis cultivator's will frequently attempt to pay for their expenses in cash in an effort to conceal their identity and the identities of other individuals involved in the manufacture and distribution of illegal narcotics. PG&E was able to locate one payment check associated with the electrical account at 790 Tennessee St., San Francisco, CA.<sup>1</sup>. The account information on this check is as follows:

Business Account:	COMPASSIONATE CAREGIVERS, INC.
Business Address:	2135 Broadway St., Oakland, CA
Phone:	(510) 839-2112
Bank:	Citibank
Acct Number:	201433158
Amount:	\$5,477.04
Signed by:	Sparky W. Rose
Dated:	11-21-2005

12. On May 23, 2006, I conducted a surveillance of **790 Tennessee St.**, San Francisco, CA. During this surveillance I observed that many of the windows (along the wall next to 19<sup>th</sup> St.) on this building were obstructed and covered over (blacked out) to prevent observation into the building and the escape of light from the building. Based upon my training and experience, I know that cannabis cultivators will commonly "black out" or cover the windows and doors of their cultivation facilities to prevent outside observation and light leaks from the high pressure sodium (HPS) lighting sets necessary for the cultivation of cannabis indoors. In addition, I observed two white panel vans, which were parked in the loading dock area of **790 Tennessee St.** The first van was bearing California license plate 6L47001 (R/O: Sparky ROSE, 457 Vermont St., San Francisco, CA.) and the second van was bearing California license

---

<sup>1</sup> The signature on the California DMV record for Sparky W. ROSE matches the signature on the check made payable to PG&E to pay for power usage at 790 Tennessee St., San Francisco, CA, dated 11-21-2005.



plate 6J88399 (R/O: COMPASSIONATE CAREGIVERS, 2135 Broadway, Oakland, CA).

13. On May 25, 2006, I served an administrative subpoena on the San Francisco Public Utilities Commission for subscriber and billing information associated with **790 Tennessee St.**, San Francisco, CA. The results of this subpoena indicate the following:

Customer Name:	NEW REMEDY COOPERATIVE
Acct Number:	254508-06-2
Service Address:	790 Tennessee St., San Francisco, CA
Office Manager:	Amber FROINES

14. On May 25, 2006, I conducted a surveillance of **790 Tennessee St.**, San Francisco, CA, and observed several individuals departing from this building. One of these individuals was seen driving off in a white Volvo bearing California license plate 2AQR907 (R/O: James DALEY, [REDACTED]). I was able to confirm that the picture on the California Department of Motor Vehicle (DMV) record under the name James DALEY matched the individual seen exiting **790 Tennessee St.**, and driving off in the aforementioned white Volvo. A second individual, who was observed while locking the front roll type door to **790 Tennessee St.**, drove away in a white Lexus bearing California plate 5FTJ540 (R/O: Alex J. LAPHAM, [REDACTED]). I confirmed that the picture on the California DMV record under the name Alex J. LAPHAM matched the individual observed locking the warehouse. A third individual was seen exiting the building and driving away in a white Toyota bearing California license plate 2GXW515 (R/O: Joshua J. WILBORN, [REDACTED]). I confirmed that the DMV record under the name Joshua J. WILBORN matched the person I saw exit **790 Tennessee St.**, and drive away in the Toyota.

15. Later this same evening, I conducted another surveillance of the warehouse located at **790 Tennessee St.**, San Francisco, CA. During this surveillance, I positioned myself on an elevated street where I could see the roof of **790 Tennessee Street** and took several pictures from this vantage point. Later the following day, I examined these pictures with other agents assigned to DEA Enforcement Group 2. During the

examination of these digital photographs, I could make out numerous air ducts which appeared to be separate from the air conditioning system common to the industrial structures on this block. More specifically, there appeared to be many more air vents/ventilation shafts on the roof of **790 Tennessee Street** than the neighboring commercial structures on the block. Based upon my training and experience, I know that cannabis cultivators will commonly install additional ventilating systems which often contain scrubbers, deodorizers, or filters which mask and dissipate the strong odors emitted from large quantities of cannabis growing in an indoor cultivation facility. I also know that these vents are often put on the roofs of structures or other areas where passers by and law enforcement officers will be less likely to detect the odor of cannabis.

16. On July 10, 2006, I along with SA Carlos Alfaro conducted a brief walking surveillance past the warehouse located at **790 Tennessee St.**, San Francisco, CA. SA Alfaro and I observed that the windows associated with **790 Tennessee St.**, San Francisco, CA, were “black out,” and appeared inconsistent with the surrounding commercial buildings. Based upon my training and experience, and that of SA Alfaro, we both know that cannabis cultivators will commonly “black out” or cover the windows and doors of their cultivation facilities to prevent outside observation and light leaks from the high pressure sodium (HPS) lighting sets necessary for the cultivation of cannabis indoors.

17. During this same surveillance on July 10, 2006, SA Carlos Alfaro and I walked by the south wall of **790 Tennessee Street**. While passing the loading dock of **790 Tennessee St.**, (on a public sidewalk) we could both hear an electrical humming noise emanating from the interior of the warehouse. This noise was consistent with the electrical humming noises generated by high pressure sodium (HPS) lights, fans, and other electrical equipment that I have observed at indoor cannabis cultivation facilities during previous DEA enforcement operations.

18. On July 25, 2006, AGS Patrick Kelly established surveillance on the warehouse located at **790 Tennessee St.**, San Francisco, CA. AGS Kelly observed a white panel van bearing California license plate 6J88399 (R/O: COMPASSIONATE CAREGIVERS, 2135 Broadway, Oakland, CA) as it sat parked (backed in) in front of the western most metal roll up door of **790 Tennessee St.** At approximately 9:05 a.m.,

AGS Kelly observed this same metal roll-up door as it opened. Inside of this door, AGS Kelly was able to observe three individuals standing next to approximately ten cardboard boxes and approximately twelve large white plastic containers which were full of dark liquid and marked with fertilizer and insecticide labels.<sup>2</sup> These three individuals loaded all of the aforementioned items into the white panel van (6J88399). It appeared to AGS Kelly that the cardboard boxes were very light as each individual hoisted several of them at a time with almost no effort.<sup>3</sup> Minutes later, AGS Kelly observed the white panel van as it departed from **790 Tennessee St.** AGS Kelly observed that the van drove along a circuitous route, utilizing counter-surveillance techniques, as it departed from the general area of **790 Tennessee St.** At approximately 9:40 a.m., AGS Kelly observed the white panel van as it parked in front of 1735 Polk St., San Francisco, CA. AGS Kelly lost sight of the van as he circled around the block, and then re-acquired the van as it pulled away from the curb at approximately 9:46 a.m. AGS Kelly, SA Sweeney, and I then followed the panel van as it returned to the warehouse at **790 Tennessee St.**, San Francisco, CA. Agents observed that once again the van took a circuitous route, utilizing counter-surveillance techniques, as it approached **790 Tennessee St.**, San Francisco, CA.

19. On August 1, 2006, SA James Sweeney and I conducted a surveillance of the warehouse located at **790 Tennessee St.**, San Francisco, CA. Upon initiating this surveillance SA Sweeney observed a white Lexus bearing California license plate 5FTJ540 (R/O: Alex LAPHAM, [REDACTED]), and a white Volvo bearing California license plate 2AGR907 (R/O: James DALEY, [REDACTED]). A short time later, SA Sweeney observed a white panel van bearing California license plate 6J88399 (R/O: COMPASSIONATE CAREGIVERS INC.) as it backed in and parked in front of the loading dock at 790 Tennessee St. Two unknown white males loaded brown cardboard boxes into the back of this van, which then departed from the area. Approximately 14 minutes later, SA Sweeney observed this same white panel van park in front of 1735 Polk St., San Francisco, CA. Individuals from 1735 Polk St., and the driver of the van, then unloaded the cardboard boxes and carried them into 1735 Polk St.

<sup>2</sup> These large white plastic translucent containers of fertilizer and insecticides were consistent with the brand, type, and packaging of fertilizers and insecticides that were present at indoor cannabis cultivation facilities, at which AGS Kelly had observed during previous search warrants.

<sup>3</sup> AGS Kelly observed that these cardboard boxes were consistent in size and shape to cardboard boxes that contain cannabis clones packaged for sale.

**PG&E Electrical Usage**  
**790 Tennessee St., San Francisco, CA**

20. The enormous quantities of electrical power that HPS lighting systems consume is evident after examination of DEA administrative subpoenas returned from PG&E. The electrical power for **790 Tennessee Street** is divided into two different accounts. The first account (GNR1) shows relatively normal rates of power consumption, however the second account (A1) (SHOWN BELOW) shows extremely high or abnormal levels of power consumption. This extreme level of power consumption is typical of the usage level associated with a large scale covert indoor cannabis cultivation facility.

**790 Tennessee Electrical Usage**  
**Account (A1)**  
**Registered to: Compassionate Caregivers**

<u>Time Period</u>	<u>Kilowatt hrs.</u>	<u>Cost</u>
10/10/05 - 11/09/05	19,840	\$3,407.50
11/09/05 - 12/09/05	53,280	\$6,804.06
12/09/05 - 12/16/05*	15,520	\$1,981.29

\* Account name changes to New Remedies Cooperative on 12/16/06

**Account (A1)**  
**Registered to: New Remedies Cooperative**

<u>Time Period</u>	<u>Kilowatt hrs.</u>	<u>Cost</u>
12/16/05 - 1/10/06	55,440	\$7,276.79
01/10/06 - 2/09/06	66,560	\$9,095.13
02/09/06 - 3/10/06	81,200	\$11,141.47
03/10/06 - 4/10/06	86,640	\$12,063.12
04/10/06 - 5/11/06	85,920	\$13,703.33
05/11/06 - 6/09/06	92,000	\$17,752.44

To put this in common perspective, the power used from 5/11/06 – 6/09/06 at **790 Tennessee Street** would be equivalent to the power used by approximately 2,203 light bulbs (60 watt) running 24 hours a day for the entire 29 days on this period.

21. Comparing the utility records at **790 Tennessee Street** to other businesses on this same block further highlight the exceptionally high power usage levels at **790 Tennessee Street**.

**760 Tennessee Electrical Usage**  
**Account (A1)**  
**Registered to: World Wide Piano Industries**

<u>Time period</u>	<u>Kilowatt hrs</u>	<u>Cost</u>
03/10/06 – 04/10/06	1,186	\$173.83
04/10/06 – 05/11/06	1,020	\$171.39
05/11/06 – 06/09/06	954	\$192.25
06/09/06 – 07/11/06	1,060	\$213.55

**695 Minnesota Electrical Usage**  
**Account (A10S)**  
**Registered to: General Graphics Services**

<u>Time period</u>	<u>Kilowatt hrs</u>	<u>Cost</u>
03/10/06 – 04/10/06	18,720	\$2,443.36
04/10/06 – 05/11/06	18,560	\$2,768.49
05/11/06 – 06/09/06	15,840	\$2,999.99
06/09/06 – 07/11/06	16,800	\$3,106.39

22. In summary, it appears that **790 Tennessee St.**, is the main cannabis cultivation facility and cannabis cultivation equipment distribution point for the NEW REMEDIES COOPERATIVE drug trafficking organization. More specifically, the PG&E response relative to the DEA Administrative Subpoena referenced in paragraph 10 of this affidavit shows that the original social security number, which was listed under the PG&E account for **790 Tennessee St.**, was registered to Larry KRISTICH. DEA database checks have identified KRISTICH as the owner/operator of

COMPASSIONATE CAREGIVERS INC, a business specializing in the cultivation and distribution of cannabis.

Prior to December 13, 2005, the warehouse located at **790 Tennessee St.**, was leased to COMPASSIONATE CAREGIVERS INC. On the very next day the PG&E electrical account was changed to NEW REMEDIES COOPERATIVE INC. Both accounts list a billing address of 2135 Broadway, Oakland, CA, which is identified on numerous cannabis websites (such as: [www.hempevolution.org](http://www.hempevolution.org)) as the address for COMPASSIONATE CAREGIVERS. Multiple surveillances conducted (See Paragraphs 12, and 14 - 19) by DEA agents have clearly shown that **790 Tennessee St.**, San Francisco, CA is a covert indoor cannabis cultivation facility. For instance, on July 25, 2006, AGS Kelly observed individuals at **790 Tennessee St.**, loading a white panel van (R/O: COMPASSIONATE CAREGIVERS INC) with liquid cannabis fertilizer and large cardboard boxes (believed to be cannabis clones). In addition, power usage information has shown that 790 Tennessee St., uses power at a rate over five times as high as other similar warehouses/businesses in the area.

**1735 Polk St., San Francisco, CA**

23. On July 24, 2006, I served an administrative subpoena on Pacific Gas & Electric (PG&E) for subscriber information, activation date, billing information, and usage records associated with **1735 Polk St., San Francisco, CA**. The results of this subpoena are as follows:

Subscriber: NEW REMEDIES COOPERATIVE INC.  
(Formerly Subscribed to: COMPASSIONATE CAREGIVERS INC.)  
ACCT Location: 1735 Polk St., San Francisco, CA  
Business Phone: (510) 839-1150  
Activation Date: December 14, 2005  
Account ID: 6031767813 (A1)  
Tax ID #: 20-3891258 (Same # for NEW REMEDIES  
COOPERATIVE located at 790 Tennessee St.)

24. On July 27, 2006, SA James Sweeney conducted a surveillance of **1735 Polk St.**, San Francisco, CA. During this surveillance, SA Sweeney observed a white Ford fleet side van bearing California license plate 6J88399 (R/O: COMPASSIONATE CAREGIVERS, 2135 Broadway, Oakland, CA) as it parked directly in front of **1735 Polk St.** SA Sweeney observed the driver of this truck, an unknown white male, and an unknown Asian male (Exited from **1735 Polk St.**) as they unloaded numerous cardboard boxes from the van and carried the boxes into **1735 Polk St.** In the opinion of SA Sweeney, these boxes were consistent in size and shape to boxes that he had previously observed during cannabis enforcement operations. More specifically, these boxes were similar to boxes that SA Sweeney had previously seen utilized for the packaging and distribution of cannabis clones. A short time later, SA Sweeney conducted a brief drive-by surveillance of 790 Tennessee St., and observed this same white Ford fleet side van as is sat parked next to the loading dock of 790 Tennessee St.

25. On August 9, 2006, while located in the vicinity of the warehouse at 790 Tennessee St., San Francisco, CA, SA James Sweeney observed several individuals as they loaded numerous cardboard boxes, brown cylindrical containers and bags of what SA Sweeney believed were potting soil into a white panel van registered to COMPASSIONATE CAREGIVERS. This van then drove directly to **1735 Polk Street** and unloaded these supplies.

26. On August 11, 2006, while in the vicinity of 790 Tennessee St., I observed a white panel van (registered to COMPASSIONATE CAREGIVERS) as it departed from the loading dock of 790 Tennessee St. A short time later, SA Sweeney observed this same van as it arrived at **1735 Polk Street** and unloaded numerous smaller cardboard boxes. After the van had been unloaded, occupants from inside of **1735 Polk St.** began transporting larger cardboard boxes from inside of **1735 Polk St.** to the panel van. This van then drove directly to 1760 Mission St., where these larger brown cardboard boxes were unloaded.

27. On August 25, 2006, while in the vicinity of **1735 Polk St.**, SA James Sweeney observed three individuals from **1735 Polk Street** as they loaded smaller brown cardboard boxes into a white van. The van then drove to 1760 Mission Street and the boxes were unloaded. These boxes were of similar size and weight to boxes that agents

have seen on previous surveillances associated with deliveries from 790 Tennessee St., to 1735 Polk St., and 1760 Mission St., San Francisco, CA.

28. On September 20, 2006, while in the vicinity of 1735 Polk St., San Francisco, CA, SA James Sweeney observed Shawn G. ANDERSON as he arrived (from 790 Tennessee St., San Francisco, CA) at and parked in front of 1735 Polk St., San Francisco, CA. SA Sweeney observed that ANDERSON was driving a white moving van bearing California license plate 8D20613 (R/O: NEW REMEDIES, 1624 Franklin St., Suite #912, Oakland, CA). SA Sweeney observed ANDERSON and several unidentified white males as they unloaded numerous large brown cardboard boxes from 1735 Polk St. and loaded them into the white moving van. ANDERSON then departed in the aforementioned white moving van and drove to 1760 Mission St., San Francisco, CA, which is the cannabis distribution facility for NEW REMEDIES COOPERATIVE INC. SA Bilek, who was positioned near 1760 Mission St., observed ANDERSON arrive at and park in front of 1760 Mission St., San Francisco, CA. SA Bilek then observed ANDERSON, Gary BURCH, and Charles TILLMAN Jr., as they offloaded 31 brown cardboard boxes (identical to the ones removed from 1735 Polk St.) from the white moving van and delivered them inside of 1760 Mission St., San Francisco, CA. Once all of the boxes had been unloaded, ANDERSON drove directly back to and parked in the loading dock of 790 Tennessee St., San Francisco, CA.

29. In summary, vans registered to COMPASSIONATE CAREGIVERS INC. and Sparky ROSE have been observed on numerous occasions as they departed from 790 Tennessee St., and made deliveries to 1735 Polk St., and 1760 Mission St., San Francisco, CA. Agents have observed as these vans transported fertilizers and potting soil used in the cultivation of cannabis, and two distinct sizes of cardboard boxes. Based upon my training and experience, and that of other more senior DEA agents, I believe that these cardboard boxes are used to transport cannabis clones, mature cannabis plants, and cannabis packaged for sale, to and from cultivation and distribution locations associated with NEW REMEDIES COOPERATIVE. Banking records for NEW REMEDIES COOPERATIVE identified that between January 2006 and June 2006, NEW REMEDIES COOPERATIVE purchased almost \$4,000 worth of cardboard boxes.



In addition, banking records have identified that, from December 30, 2005, to June 22, 2006, the NEW REMEDIES COOPERATIVE has paid Golden Gate Partners \$88,200 for "1735 Polk."

**1760 Mission St., San Francisco, CA**

30. On July 20, 2006, I issued a DEA administrative subpoena to PG&E for subscriber, billing and usage information associated with **1760 Mission St., San Francisco, CA**. This is an address that I knew had been previously occupied by and associated with COMPASSIONATE CAREGIVERS INC. The results of the subpoena are as follows:

Subscriber:	NEW REMEDIES COOPERATIVE INC.
ACCT Location:	1760 Mission St., San Francisco, CA
Billing Address:	2135 Broadway, Oakland, CA
Business Phone:	(510) 839-1150
Activation Date:	December 16, 2005
Account ID:	4330992395 (GNR1); 4330992726 (A1)
Tax ID #:	20-3891258 (Same # as New Remedies Cooperative Located at 790 Tennessee and 1735 Polk Street)

31. The results of this subpoena indicate that between March 10, 2006, and June 29, 2006, United States Currency (CASH) in the amount of \$5,304.64 was tendered to pay for the electrical usage on the NEW REMEDIES COOPERATIVE INC. accounts (4330992395 & 4330992726), with PG&E. These deposits were primarily made at the PG&E payment processing center located at 1919 Webster, Oakland, CA. I know, based on my training and experience, that cannabis cultivator's will frequently attempt to pay for their expenses in cash in an effort to conceal their identity and the identities of other individuals involved in the manufacture and distribution of illegal narcotics.

32. On July 25, 2006, DEA agents established surveillance in the vicinity of **1760 Mission St., San Francisco, CA**. During this surveillance, SA Michael Casale and SA David Mateer observed a white male adult park a blue Volvo bearing California license plate 5CZU009 (R/O: Ashley Leigh LAPHAM, [REDACTED])

[REDACTED] in front of **1760 Mission St.** The white male was confirmed by SA David Mateer (via California DMV photo) to be Alex LAPHAM. LAPHAM entered **1760 Mission St.**, and exited the store a short time later carrying two cardboard boxes, measuring approximately 1'x1'x1 ½ '. In the opinion of SA Mateer and other senior agents, after reviewing videotape of these events, these boxes were consistent in size and shape to boxes that are typically utilized to transport cannabis clones.

33. On July 27, 2006, I contacted California State Parole Agent Bill Hazelton via phone. Agent Hazelton works out of an office directly across the street from NEW REMEDIES COOPERATIVE INC., located at **1760 Mission St.**, San Francisco, CA. State Parole Agent Hazelton's office building has an enclosed parking lot in the front accessible by Mission Street. This parking lot has clearly visible signs indicating that this parking lot is for the exclusive use of people having business with the parole offices, and persons and vehicle using this lot are subject to search.

34. During the past two years Agent Hazelton has seen individuals on more than 15 occasions use this parking lot as they conducted business inside of **1760 Mission St.**, a business he knew as NEW REMEDIES COOPERATIVE INC. When they return from **1760 Mission Street**, he has informed these individuals that they are parked in a state parking lot and are subject to search. Agent Hazelton relayed that he has seen cannabis plants and cannabis product during every one these searches. In almost every case, he has described either a small brown paper sack or an unmarked brown cardboard box, approximately 2' x 1.5' with clear plastic tape on the top, which have been used to transport cannabis plants and cannabis product. He has also seen what appeared to be candy products which apparently contained cannabis according to the individuals who were in possession of the items.

35. Agent Hazelton related that the last time he had contact with an individual from **1760 Mission St.**, was on or about June of 2006. According to Agent Hazelton, an unknown female was being escorted from **1760 Mission Street** by an unknown white male, apparently a worker from NEW REMEDIES COOPERATIVE INC. Agent Hazelton made contact with the two individuals, and informed them that they were on a clearly marked state parking lot where subjects and vehicles were subject to search. The unknown male initially objected to the search, and then abruptly ran away and re-

entered **1760 Mission St.** When Agent Hazelton searched the vehicle of the female, he found a brown cardboard box containing approximately four (4) cannabis plants, which the women admitted to acquiring in NEW REMEDIES COOPERATIVE INC., at **1760 Mission St.**, San Francisco, CA.

36. In addition, Agent Hazelton also stated that outside of the approximately 15 encounters he personally has had with people from NEW REMEDIES COOPERATIVE located at **1760 Mission St.**, other agents in his office have had at least 12 more contacts with individuals departing from NEW REMEDIES COOPERATIVE INC. In every instance the individuals departing from NEW REMEDIES COOPERATIVE INC., were in possession of cannabis in one form or another. Agent Hazelton went on to say that in addition to individuals parking in the California Parole Office parking lot, he has observed numerous other people as they conducted business with NEW REMEDIES COOPERATIVE. Officer Hazelton said that he frequently sees cars double-park in front of NEW REMEDIES COOPERATIVE at **1760 Mission St.** Officer Hazelton stated that, once parked, it is common for a passenger to dash inside of the NEW REMEDIES COOPERATIVE and emerge bearing brown cardboard boxes or brown paper sacks. These boxes and sacks are identical to the ones he has observed, which contain cannabis or cannabis products, during his parking lot searches of patrons of NEW REMEDIES COOPERATIVE INC. In fact on several occasions, he has even observed these individuals as they take out the contents of the boxes or sacks and show these contents to the driver of the double parked car. Officer Hazelton describes the items he observed these people removing from the boxes as a green leafy substance, which he knew to be cannabis. On several occasions he has asked the individuals what the substance was and they responded that it was cannabis.

37. On July 28, 2006, SA Carlos Alfaro and I conducted a surveillance of **1760 Mission St.**, San Francisco, CA. Of interest, a short time after initiating this surveillance, SA Alfaro observed an unknown white male exit from **1760 Mission St.**, and wait near the curb. A few minutes later, the city garbage truck arrived and the unknown white male delivered the NEW REMEDIES COOPERATIVE INC. garbage can to the refuse truck. SA Alfaro observed that the garbage can was locked and was opened by the unknown white male using a key. It appears likely that this is an effort

by members of the NEW REMEDIES COOPERATIVE INC., to prevent law enforcement officers from utilizing the refuse to generate investigative leads. Later this same day, SA Alfaro observed a Shawn ANDERSON as he parked a white panel van bearing California license plate 6Y19750 (R/O: COMPASSIONATE CAREGIVERS INC., 2135 Broadway, Oakland, CA) in front of **1760 Mission St.**, San Francisco, CA. Over the next ten minutes, SA Alfaro watched as a number of individuals unloaded cardboard boxes from the white panel van and carried them into the NEW REMEDIES COOPERATIVE. I followed Shawn G. ANDERSON as he drove the white panel van bearing California license plate 6Y19750 back to 790 Tennessee St., San Francisco, CA. I have observed this same activity, the moving of supplies and cannabis product by vans registered to Sparky ROSE, Compassionate Caregivers or New Remedies Cooperative from 790 Tennessee St to 1735 Polk Street and 1760 Mission St, occur on numerous occasions (see paragraph 26 describing this occurrence) and as recently as September 20, 2006.

38. On August 11, 2006, SA Crueldad observed Dwight WOODARDS Jr., and another unknown black male, as he parked his white pick-up truck in front of NEW REMEDIES COOPERATIVE at **1760 Mission St.**, San Francisco, CA. WOODARDS and his associate entered NEW REMEDIES COOPERATIVE and emerged a few minutes later carrying large brown cardboard boxes, which were then loaded into the bed of WOODARDS pick-up truck. In all, the two men loaded twelve boxes into the bed of the pick truck and departed. WOODARDS has a criminal history of possession, transporting, and selling of narcotics and marijuana. In addition, WOODARD has been arrested for offenses related to receiving stolen property, gross vehicular manslaughter, child cruelty, and felon in possession of a firearm.

39. In summary, **1760 Mission St.**, San Francisco, CA appears to be the main cannabis distribution point for the NEW REMEDIES COOPERATIVE drug trafficking organization. More specifically, the PG&E response relative to the DEA Administrative Subpoena referenced in paragraph 29 of this affidavit shows that NEW REMEDIES COOPERATIVE INC., is the registered account holder for address identified by **1760 Mission St.**, San Francisco, CA. In addition, it identifies 2135 Broadway, Oakland, CA (COMPASSIONATE CAREGIVERS INC) as the billing address for this same account. DEA database checks conducted on July 31, 2006,

identify Sparky W. ROSE as a manager of COMPASSIONATE CAREGIVERS INC., located at 2135 Broadway, Oakland, CA.

457 Vermont St., San Francisco, CA

40. On July 20, 2006, I issued a DEA administrative subpoena to PG&E for subscriber, and billing information associated with 457 Vermont St., San Francisco, CA. The results of the subpoena are as follows:

Customer:	Sparky ROSE
ACCT Location:	457 Vermont St., San Francisco, CA
Home Phone:	(415) 637-9031
Business Phone:	(415) 771-6174
Activation Date:	February 9, 2004
Account ID:	5371345965

41. On July 20, 2006, SA James Sweeney and SA Michael Casale conducted a brief surveillance and trash search of the residence located at 457 Vermont St., San Francisco, CA. Commercial database searches have identified this as the primary residence of Sparky W. ROSE. While walking past the residence, SA Casale retrieved a Walgreen's prescription bag from the trash can associated with 457 Vermont St. The Walgreen's prescription bag contained the following information:

Patient:	Sparky ROSE
Address:	4092 18 <sup>th</sup> St., San Francisco, CA (THE GALLERY FLUX)
Date of Birth:	[REDACTED]
Phone:	(415) 845-3159
Date of Prescription:	April 18, 2006

42. On July 26, 2006, I conducted a brief surveillance and trash search of the residence located at 457 Vermont St., San Francisco, CA. During this trash search, I found a letter regarding cannabis dispensaries bearing the name Sparky ROSE on the letters mailing list. This letter is dated April 12, 2006. Also located during the trash search was a map printed off the website [www.mapquest.com](http://www.mapquest.com), which had a date stamp

on the top of May 18, 2006. The starting point for this map was listed as 2135 Broadway, Oakland, CA (COMPASSIONATE CAREGIVERS).<sup>4</sup>

43. On August 4, 2006, I again conducted a surveillance of 457 Vermont St., San Francisco, CA. During this surveillance I observed a male emerge from this residence and get into a silver Porsche, which was parked on the opposite side of Vermont St. This male matched the description and photograph associated with the official California DMV record of Sparky ROSE. SA Mike Casale and I followed this individual believed to be Sparky ROSE as he traveled to Oakland, CA, and parked. SA Dave Mateer observed an individual matching the physical appearance and clothing description of the individual believed to be Sparky ROSE enter 2135 Broadway, Oakland CA.

44. On August 9, 2006, I conducted a surveillance of the residence located at 457 Vermont St., San Francisco, CA. During this surveillance, I was able to positively confirm that the individual I had seen on August 4, 2006, was indeed Sparky ROSE. On this same day I observed ROSE as he exited from 457 Vermont St. and drive away in the same silver Porsche, which had been previously observed on August 4, 2006. Shortly after departing from 457 Vermont St., ROSE stopped at a Starbuck's Coffee shop. While ROSE was out of his vehicle, SA Casale and I positioned ourselves in order to clearly identify ROSE as he departed from the coffee shop and got back into the Porsche. When he did, both SA Casale and I were able to clearly observe the face of this individual. We were both able to confirm that this individual matched the image provided by the California DMV of Sparky ROSE. I followed Sparky ROSE as he traveled to Oakland, CA, and parked near Franklin St. Minutes later I was able to observe ROSE as he entered an office building located at 1624 Franklin St., Oakland, CA. Suite 912 at 1624 Franklin St. is believed to be the new business office of NEW REMEDIES COOPERATIVE.

45. In summary, DEA database checks conducted on July 31, 2006, have identified 457 Vermont St., San Francisco, CA as the residential address for Sparky W. ROSE,

---

<sup>4</sup> This address have been associated numerous times during this investigation with both COMPASSIONATE CAREGIVERS INC., and NEW REMEDIES COOPERATIVE INC. It is also the PG&E billing address on record for NEW REMEDIES COOPERATIVE located at 790 Tennessee St., San Francisco, CA.

and Sparky ROSE listed 457 Vermont St., San Francisco, CA as his address of record with the California DMV check with the California DMV. On several occasions ROSE has been observed by DEA agents as he departed from 457 Vermont St., San Francisco, CA, and several trash searches have produced indicia confirming that ROSE is maintaining records and business documents inside of this residence.

**2135 Broadway, Oakland, CA**

46. DEA record checks and physical surveillance have shown the connection between **2135 Broadway**, Oakland, CA and NEW REMEDIES COOPERATIVE. This address has been used as a billing address for PG&E accounts associated with NEW REMEDIES COOPERATIVE business locations at 790 Tennessee St., and at 1760 Mission St. According to the California DMV, the two white panel vans (6J88399, 6Y19750) that have been observed delivering cannabis cultivation supplies, cannabis clones, and processed cannabis from 790 Tennessee St., to 1735 Polk St., and 1760 Mission St., are registered to COMPASSIONATE CAREGIVERS at **2135 Broadway**, Oakland, CA.

47. Surveillance on July 20, 2006, observed Mark E. MILLER removing items from 2135 Broadway and loading them into his green Toyota Tundra bearing California license plate 7L70591. On August 16, 2006, Mark E. MILLER requested service from the San Francisco Police Department, at which time he identified himself as the manager of the NEW REMEDIES COOPERATIVE Dispensary at 1760 Mission St., San Francisco, CA. MILLER's green Toyota Tundra (7L70591), previously seen in front of 2135 Broadway on July 20, 2006, was also observed at a parking lot utilized by NEW REMEDIES COOPERATIVE at 1760 Mission on August 25, 2006.

48. As mentioned in paragraph 24, the vans registered to COMPASSIONATE CAREGIVERS at **2135 Broadway**, Oakland, CA have been observed moving supplies and boxes believed to contain cannabis between the cannabis cultivation and distribution facilities under the control of NEW REMEDIES COOPERATIVE. On August 1, 2006, SA Mike Casale observed this same van as it was used to move furniture and office supplies out of **2135 Broadway**, Oakland, CA. Agents then

observed this van depart from **2135 Broadway** and drive to 1624 Franklin St., Oakland, CA, where the contents of the van were unloaded. During this surveillance agents also observed Brian PATE as he loaded boxes from 2135 Broadway into his Ford Explorer bearing California license plate 3EHK371. On August 8, 2006, agents observed Brian PATE as he entered the NEW REMEDIES COOPERATIVE cannabis distribution center located at 1760 Mission St., San Francisco, CA.

49. On August 4, 2006, I followed Sparky ROSE as he departed from his residence located at 457 Vermont St., San Francisco, and then arrived at and entered **2135 Broadway**, Oakland, CA.

50. In summary, **2135 Broadway** has been and continues to be used by businesses involved in the production and distribution of cannabis. First, COMPASSIONATE CAREGIVERS advertised this location as its place of business (see paragraph 22). Sparky ROSE, who DEA record checks show was a manager of COMPASSIONATE CAREGIVERS and who identified himself to the media as a manager of this same business, started a new business which he manages named NEW REMEDIES COOPERATIVE which uses vehicles and locations previously connected to COMPASSIONATE CAREGIVERS. **2135 Broadway** is one of these locations that I do not believe functions as an active dispensary but still plays an important role for NEW REMEDIES COOPERATIVE as evidenced by the surveillance findings. I believe that there are records documenting financial transaction as well as relationships with criminal associates inside of **2135 Broadway** in written form or documented in computers or other electronic storage devices.

#### **1624 Franklin St., Suite 912, Oakland, CA**

51. Commercial database queries conducted on July 31, 2006, have identified **1624 Franklin St.**, Oakland, CA as a business address for NEW REMEDIES COOPERATIVE, a business owned by Sparky W. ROSE.

52. On August 1, 2006, DEA agents conducted surveillance of the COMPASSIONATE CAREGIVERS facility located at 2135 Broadway, Oakland, CA.



During this surveillance agents observed several individuals as they loaded furniture, boxes, and chairs from 2135 Broadway into a white panel truck bearing California license plate 6Y19750 (R/O: COMPASSIONATE CAREGIVERS, 2135 Broadway, Oakland, CA). Agents observed these individuals as they drove the aforementioned white panel truck to **1624 Franklin St.**, Oakland, CA, and parked on the street. The occupants of the white panel truck then unloaded the furniture, boxes, and office supplies and delivered them into **1624 Franklin St**, Oakland, CA.

53. On August 9, 2006, DEA agents observed Sparky W. ROSE depart from his residence at 457 Vermont St., San Francisco, CA, and park near Franklin St., Oakland, CA. A short time later, I was able to observe Sparky ROSE as he entered the front doors to the building located at **1624 Franklin St.**, Oakland, CA.

54. On August 31, 2006, SA Carlos Alfaro contacted a representative of the United States Postal Service (USPS) to determine if anyone identified during this investigation were receiving mail at **1624 Franklin St., San Francisco, CA**. This representative responded on September 6, 2006 with information stating that NEW REMEDIES COOPERATIVE was receiving mail at **1624 Franklin Street, Suite 912, Oakland, CA 94612**. This official also stated that mail addressed to Sparky ROSE was being delivered to **1624 Franklin Street, Suite 912, Oakland, CA 94612**.

55. In summary, surveillance has identified individuals moving business records and office supplies from 2135 Broadway, Oakland, CA to **1624 Franklin St.**, Oakland, CA; and that Sparky ROSE has entered **1624 Franklin Street**, Oakland, CA. The California Secretary of State has also informed DEA agents that NEW REMEDIES COOPERATIVE INC. has registered with the California Business Programs Division as a "cannabis club." In addition, the USPS has related that Sparky ROSE and the NEW REMEDIES COOPERATIVE are receiving mail at **1624 Franklin St., Suite 912**, Oakland, CA. Based upon my training and experience I know that drug producers/traffickers will commonly keep an office or business location separate from other illicit activity to distance themselves from any law enforcement intervention.

**1710 Franklin St., Suite #200 & #210, Oakland, CA**

56. Commercial database queries conducted on August 1, 2006, have identified 1710 Franklin St., Suite #210, Oakland, CA as the business address for POTENT EMPLOYMENT SOLUTIONS, a business owned by Sparky W. ROSE.

57. On August 31, 2006, SA Carlos Alfaro contacted a representative of the United States Postal Service (USPS) to determine if anyone identified during this investigation were receiving mail at **1710 Franklin St., San Francisco, CA**. This representative responded on September 6, 2006, with information stating that POTENT EMPLOYMENT SOLUTIONS was receiving mail at **1710 Franklin St., Suite 200, Oakland, CA 94612**.

58. An analysis of banking records for NEW REMEDIES COOPERATIVE INC. has identified that large quantities of money were being electronically transferred from NEW REMEDIES COOPERATIVE INC. bank accounts to bank accounts for POTENT EMPLOYMENT SOLUTIONS LLC. Over the past seven months I was able to identify a distinct pattern associated with the banking records for NEW REMEDIES COOPERATIVE and POTENT EMPLOYMENT SOLUTIONS. Typically, cash deposits were made into the NEW REMEDIES COOPERATIVE accounts with The Mechanics Bank headquartered at 725 Alfred Nobel Dr., Hercules, CA. Usually, within 48 hours these same funds were electronically wired to a Bank of the West account in the name of POTENT EMPLOYMENT SOLUTIONS, LLC. More specifically, from January 4, 2006 to July 27, 2006, over \$1.5 million in United States Currency (USC) was transferred from NEW REMEDIES COOPERATIVE INC. to POTENT EMPLOYMENT SOLUTIONS LLC. These transactions and the role POTENT EMPLOYMENT SOLUTIONS LLC fills with NEW REMEDIES COOPERATIVE and Sparky ROSE is further explained below (See Financial Activity Section).

**190 Otis St., Unit #180, San Francisco, CA (Self Storage One)**

59. A review of bank statements associated with the NEW REMEDIES COOPERATIVE LLC. Identified that payments were being made to a self storage facility at 190 Otis St., San Francisco, CA. Following the issuance of a subpoena to Self Storage One concerning storage units rented by NEW REMEDIES

COOPERATIVE, Sparky ROSE or any of their business interests the following information was uncovered:

Unit #180 at 190 Otis Street, San Francisco, CA

Tenant: Sparky W. Rose

Company: Compassionate Caregivers

Address: 457 Vermont St, San Francisco, CA 94107

Phone: 415-637-9031, Alternate 510-839-2217

Lease Start date: 2/2/2004

Rent: \$85.00

Payments automatically billed the last day of Month

Size: 5' x 5'

Lock Combo: C345

### **Financial Activity**

60. In July, 2005, I uncovered financial statements documenting the relationship between NEW REMEDIES COOPERATIVE INC., POTENT EMPLOYMENT SOLUTIONS LLC., and Sparky W. ROSE. I initially identified a checking account for NEW REMEDIES COOPERATIVE at the Mechanics Bank in Hercules, CA. NEW REMEDIES COOPERATIVE has been using this account to capture their weekly cash deposits and as the main business checking account for their day to day operational expenses. Following the identification of this account, I delivered a subpoena to The Mechanics Bank and obtained the monthly activity associated with this account, which is listed below:

Account: Smart Business Checking Account #40854108

Account Holder: New Remedies Cooperative

Account Holder Address: 2135 Broadway, Oakland, CA 94612

61. This account was opened on December 6, 2005. The first activity with this account was the deposit of a check from COMPASSIONATE CAREGIVERS INC. to Sparky ROSE which occurred December 7, 2005. This first deposit was made two days after NEW REMEDIES COOPERATIVE LLC. was incorporated as a business.

62. The weekly deposits made to this account were unusual (larger than expected) and immediately drew the attention of The Mechanics Bank. In fact a total of over sixty (60) cash deposits, totaling over \$2.3 million in United States currency, were made to this account on a weekly basis between December 22, 2005, and July 26, 2006. These cash deposits, on a weekly basis, typically occurred in pairs. Typically, two separate cash deposits of between \$30,000 and \$70,000 each were made within a few minutes of each other on the same day. I suspect that these deposits were the result of armored car deliveries (evidence of payments to an armored car company were part of the financial statements I viewed) or drop offs by employees of NEW REMEDIES COOPERATIVE LLC.

63. Usually within one business day, these cash deposits were then electronically transferred (wired) to the POTENT EMPLOYMENT SOLUTIONS LLC accounts with Bank of the West. A subpoena delivered to The Bank of the West revealed the following about the account into which the funds were wired:

Account: 101-004141

Account Name and Address: POTENT EMPLOYMENT SOLUTIONS

Account Address: 457 Vermont Street, San Francisco, CA

Date Opened: December 6, 2006

Authorized signatures

CEO: Sparky Wilson Rose

[REDACTED]

COO: Joseph Devoto

[REDACTED]

Kristine Borghino

[REDACTED]

64. From January 4, 2006, to July 27, 2006, over **\$1.5 million** was electronically transferred from the NEW REMEDIES COOPERATIVE (Mechanics Bank) account

#4085108 to the POTENT EMPLOYMENT SOLUTIONS (Bank of the West) account #101-004141. From the Bank of the West account, checks were written and signed by Sparky ROSE to pay employees of NEW REMEDIES COOPERATIVE. The largest recipient of funds in this manner was Sparky ROSE himself. From December 23, 2005, to July 26, 2006, Sparky ROSE or Kristine BORGHINO (bookkeeper for NEW REMEDIES COOPERATIVE) drafted approximately **\$331,000** worth of checks payable to Sparky ROSE. The most common payment to Sparky ROSE were checks written from POTENT EMPLOYMENT SOLUTIONS (Bank of the West) to Sparky ROSE for **\$9,615.38** every seven days. During this same time, Sparky ROSE wrote checks directly from the NEW REMEDIES COOPERATIVE (The Mechanic's Bank Account 40854108) account to himself in the sum of **\$177,797**.

65. The vast majority of the funds received by Sparky Rose from POTENT EMPLOYMENT SOLUTIONS (Bank of the West 101-004141) and NEW REMEDIES COOPERATIVE (The Mechanic's Bank 4085108) were deposited into the personal checking account of Sparky ROSE at The Mechanic's Bank. The response to a grand jury subpoena issued to The Mechanic's Bank showed this account to be:

Account:	40863239
Account Holder:	Sparky W. Rose
Account Address:	457 Vermont Street, San Francisco, CA 94107
Employer:	Potent Employment Solutions
DOB:	November 3, 1970
SSN:	578-80-2313

#### **RESULTS OF SEARCH WARRANTS EXECUTED ON OCTOBER 3, 2006**

66. On September 28, 2006, a federal search warrant, authorized by the Honorable James Larson, United States Magistrate Judge, Northern District of California, was executed at the following eight locations in the San Francisco Bay area:

- (a) 790 Tennessee St., San Francisco, California
- (b) 1760 Mission St., San Francisco, California
- (c) 1735 Polk St., San Francisco, California

- (d) 457 Vermont St., San Francisco, California
- (e) 2135 Broadway Oakland, California
- (f) 1624 Franklin St., Suite #912, Oakland, California
- (g) 1710 Franklin St., Suite #200 & #210, Oakland, California
- (h) 190 Otis St, Unit #180, San Francisco, California

**PROBABLE CAUSE SPECIFIC TO BLAIR, DALEY, ANDERSON, ELLIS,  
AND MATSUOKA**

67. The warehouse located at 790 Tennessee St., San Francisco, CA, contained a sophisticated indoor cannabis cultivation facility, including a manicure room, drying room, and cannabis “clone” facility. Agents located 1,328 growing cannabis plants, 79 cannabis plants which had been recently harvested and were hung to dry, and 618 non-rooted “cloned” cannabis plants.

During the execution of the search warrant at 790 Tennessee St., San Francisco, CA, agents encountered and arrested Benjamin S. BLAIR, James J. DALEY, Shawn G. ANDERSON, Kevin P. ELLIS, and Irene D. MATSUOKA. All of these individuals appeared to be actively working, either tending plants or manicuring cannabis during the execution of the search warrant. In addition, upon hearing agent’s entering the front door of the cannabis cultivation facility, Irene D. MATSUOKA attempted to escape through the rear loading dock roll-up door, where she was apprehended and placed under arrest by SA Patrick Kelly. While walking through the facility, SA Kelly observed numerous signs, which were posted inside of the cannabis cultivation facility, which identified the location as being under the control of NEW REMEDIES COOPERATIVE INC.

**PROBABLE CAUSE SPECIFIC TO MARK E. MILLER**

68. The cannabis distribution facility located at 1760 Mission St., San Francisco, CA, contained a smaller cannabis grow, cannabis packaged for sale, cannabis edibles, and proceeds from the sale of narcotics. Agents located 332 growing cannabis plants, and 222 un-rooted cannabis “clones.” During the execution of the search warrant at 1760 Mission St., San Francisco, CA, agents encountered and arrested Mark E. MILLER, who had previously identified himself to the San Francisco Police

Department (SFPD) as the manager for the NEW REMEDIES COOPERATIVE store at 1760 Mission St., San Francisco, CA.

#### **PROBABLE CAUSE SPECIFIC TO SPARKY W. ROSE**

69. During the execution of the search warrant at the residence of Sparky W. ROSE at 457 Vermont St., San Francisco, CA agents encountered and arrested Sparky W. ROSE. In total, during the execution of the search warrants, agents seized from Sparky W. ROSE (the NEW REMEDIES COOPERATIVE) among other items over 5,200 growing cannabis plants, over 7,400 non-rooted “clones,” and approximately \$125,000 United States Currency.

#### **PROBABLE CAUSE SPECIFIC TO MATHEWSON, MUNOZ-REBULLIDA, NAVARRO, AND SETO**

70. The warehouse located at 1735 Polk St., San Francisco, CA, contained a sophisticated indoor cannabis cultivation facility, and cannabis “clone” facility. Agents located 1,926 growing cannabis plants, 1,581 rooted cannabis “clones,” and 6,657 non-rooted “cloned” cannabis plants.

During the execution of this search warrant, agents encountered and arrested Jason A. MATHEWSON, Alfonzo MUNOZ-REBULLIDA, Steven A. NAVARRO, and Johnny M. SETO. All of these individuals appeared to be actively working tending plants during the execution of the search warrant.

#### **PROBABLE CAUSE SPECIFIC TO SMITH, AND WANG**

71. During the execution of the search warrant at 1624 Franklin St., Suite #912, Oakland, CA (business offices for NEW REMEDIES COOPERATIVE) agents encountered and arrested Tracy A. SMITH and Mistalee Chiamé WANG, who appeared to be working at the location. These two individuals identified themselves as a secretary and IT Manager, respectively, for NEW REMEDIES COOPERATIVE INC.

#### **PROBABLE CAUSE SPECIFIC TO FROINES, AND PERREIRA**

72. During the execution of the search warrant at 1710 Franklin St., Suite #200 & 210, Oakland, CA (business offices for POTENT EMPLOYMENT SOLUTIONS) agents encountered and arrested Amber R. FROINES and Jaime L. PERREIRA, who appeared to be working at the location. These two individuals identified themselves as the Office Manager and the Payroll Manager.

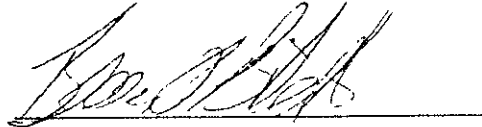
## CONCLUSION

71. Therefore, based on the foregoing, there is probable cause to believe that the following individuals have violated 21 U.S.C. §§ 841(a)(1), and 846 (manufacture and distribution of 1000 or more cannabis plants, a schedule I controlled substance, and conspiracy to manufacture and distribute cannabis), and that Sparky W. ROSE has also violated 18 U.S.C. § 1957 (engaging in monetary transactions in property of a value over \$10,000 derived from specified unlawful activity, namely, narcotics trafficking):

- (a) Sparky W. ROSE
- (b) Benjamin S. BLAIR
- (c) James J. DALEY
- (d) Shawn G. ANDERSON
- (e) Kevin P. ELLIS
- (f) Irene D. MATSUOKA
- (g) Jason A. MATHEWSON
- (h) Alfonzo MUNOZ-REBULLIDA
- (i) Johnny M. SETO
- (j) Mark E. MILLER
- (k) Steven A. NAVARRO
- (l) Tracy A. SMITH
- (m) Mistalee Chiamé WANG
- (n) Amber R. FROINES
- (o) Jaime L. PERREIRA

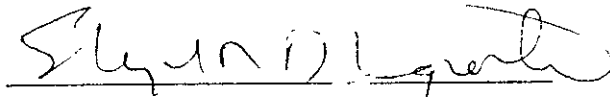


I declare under penalty of perjury that the statements above are true and correct to the best of my knowledge and belief.



Beau O. C. Bilek  
Special Agent  
Drug Enforcement Administration

Sworn and subscribed to before me  
This 7 day of October 2006



Hon. Elizabeth D. Laporte  
United States Magistrate Judge